



Poor Communication "Roadblocks" to Cash

There are many "Roadblocks" to cash that are put up when one gets a construction job. These roadblocks can occur at any time from the initial bid all the way through project completion. If we were to sum up all these roadblocks in a few words we would say that some form of communication is the root of all failures on a construction job, and usually this lack of communication will lead to poor planning, and future cash losses on a project.

Poor communication or lack of it will affect the projects' ability to generate bottom line profits. The art of communication comes in many forms throughout a construction project. It can come in the form of blueprint plan interpretation, general oral and writing skills, or in the form of not being proficient with the most updated computer and software technology. Not having solid and develop internal "systems and processes" to execute jobs successfully are other ways where communication on projects break down. Below, I have listed some Communication Roadblocks that normally break down a project. These may not be all the roadblocks, but they are the major factors.

Communication Roadblock #1 – Lack of an organized quantity takeoff.

Detailed quantity takeoffs are the backbone of a strong project. Depending on how they are organized they offer the person bidding a project an outline of the work, where it is located, access issues, and possibly how it will be completed. By defining each one of these areas in the quantity takeoff process the communication process starts, and a detailed pricing estimate can take place.

Communication Roadblock #2 – Lack of a detailed pricing estimate

Detailed pricing estimates identify the expected cost and profits of a particular project. It also identifies to the future Project Manager, the process or the plan on how the estimator is attempting to fulfill the work process and make money for the company. Labor production rates, equipment usage, second-tier





subcontracting help are all areas that will tell the Project Manager how the job will be executed, and the time frame in which it will be completed.

Communication Roadblock #3 – Lack of communication between the Estimator and the Project Manager.

Poor coordination or hand-off meetings between the estimator and the project manager will result in poor project performance. An Estimator must clearly describe the project labor production process and plan of attack to the Project Manager. The Project Manager must be made aware of the estimators thought process on how the job was bid. On the other hand, the Project Manager may be able to offer updated suggestions to the Estimator of possible alternatives that may allow a cost savings in labor on the project as well. Each person, the Estimator and the Project Manager can share labor, production and other cost saving tactics that will help each other not only on the job at hand, but on future bids.

Communication Roadblock #4 - Lack of motivation or inspiration from the upper management.

A project manager must be able to create an environment for the field workers that cause the crews to work everyday in an organized and inspired way. When workers feel that they are being appreciated by owners and hire-up personnel, they feel more apt to giving everything they have for a good cause. Field workers must have a full understanding of their daily work expectations. They must know: where the work is and what is expected to get the work completed. They must be equipped with the best tools to get the job done correct and most of all safe, in a timely manor. They must feel good about themselves. With this in mind, the way they dress, the conditions in which they will be working in, how well they were trained to do the work, and the equipment and tools they will use are very important. All of us want to work for a company that has the best people, the best uniforms, the best trucks, the best product and safety programs, and the best tools and equipment. We want to be around other employees that enjoy their work and who are motivated as well. These are some things that make an employee proud to work for a particular company. In turn, when the employee feels good about him or herself, they will help the company become very profitable.

Communication Roadblock #5 – Lack of communication between the field worker and the Project Manager.

This can take several forms. Sometimes there is a disconnect between the Project Manager and the field worker about the scope of work and the overall time frame that the work must be completed. This





breakdown will cause unorganized and non-productive crews. It may even cause some work to be incomplete and cause future failures, where work will have to be executed again. Worse yet, someone may get injured on the project because the process may have been rushed or pressured to finish quicker. Field workers may not communicate effectively with the Project Manager about project discrepancies that may arise during a job. This will cause labor to become extended or not per scope. Inadequate paperwork describing the problems that come up on a job is a common breakdown in communication on a project. A field worker may miss an opportunity to acquire change order money for work that was completed out of the scope. Incorrect daily reports, missed change order opportunities, and incorrect billing amounts, as it pertains to percentage complete, will all affect job cost and overall company financial reports.

Communication Roadblock #6 – Lack of effective scheduling.

Improper scheduling can affect employees, equipment, materials, and weather conditions. Employee scheduling is critical when trying to assign certain jobs with crews who are skilled and knowledgeable to achieve the best labor production results. Sometimes projects get postponed by other factors that are out of the Project Managers control, however the Project Manager must always have alternative ways to keep productive crews working. Timely equipment deliveries or access to correct materials is crucial for labor production rates staying high. Being able to predict and plan for differential weather climates is mandatory to keep works busy and productive. A Project Manager must be able to schedule work in locations and at time when work will not be inhibited by weather. If weather conditions will not allow, then other creative measure must be planned to allow work to proceed.

Communication Roadblock #7 – Lack of efficient organizational and management skills.

A good Project Manager has a pulse on the job or jobs every day. Depending on the size of the project, a project manager may have to oversee one or many jobs. Effective time management, knowledge, organization, writing and communication skills are necessary for smooth job progress. A Project Manager has many activities to complete on a daily basis; scheduling or people, materials, equipment, the review and evaluation of daily reports from lead crew members, the writing of letters for change orders or other job discrepancies, the communication of ideas and the motivation of lead workers are a few items necessary for effective leadership. A Project Manager must have the ability to effectively lead his own crews, but it is important that he be able to communicate effectively with the General Contractors' management personnel too. Writing and oral skills are necessary to effective salesmanship during the course of a project. There are times when a Project Manager must effectively communicate a problem or idea in order to allow his company to make money. Having an in-depth knowledge and





experience of the work to be completed will also allow the project manager to anticipate problems and avoid them.

Communication Roadblock #8 – Lack of effective “back of house” administrative help.

The project manager must have access to other in office helpers to help administrate other office tasks. Secretarial help in answering phone calls, sending and receiving faxes, deliveries and such are very helpful. Project assistants or interns can also help with other administrative paperwork that must be completed during the course of a project.

In closing, the art of communication takes on many forms during a construction project. A company's success or failure is dependant on the proper communication. Depending on the size of the company and the amount of work completed, large amounts of money can be lost when all of these areas are not considered. A prudent company owner will find the time to put in measures to enable proper communication.

